



Rakennusteollisuus

Optimism is increasing

Construction is seeking a new direction

Review of construction business conditions in spring 2021

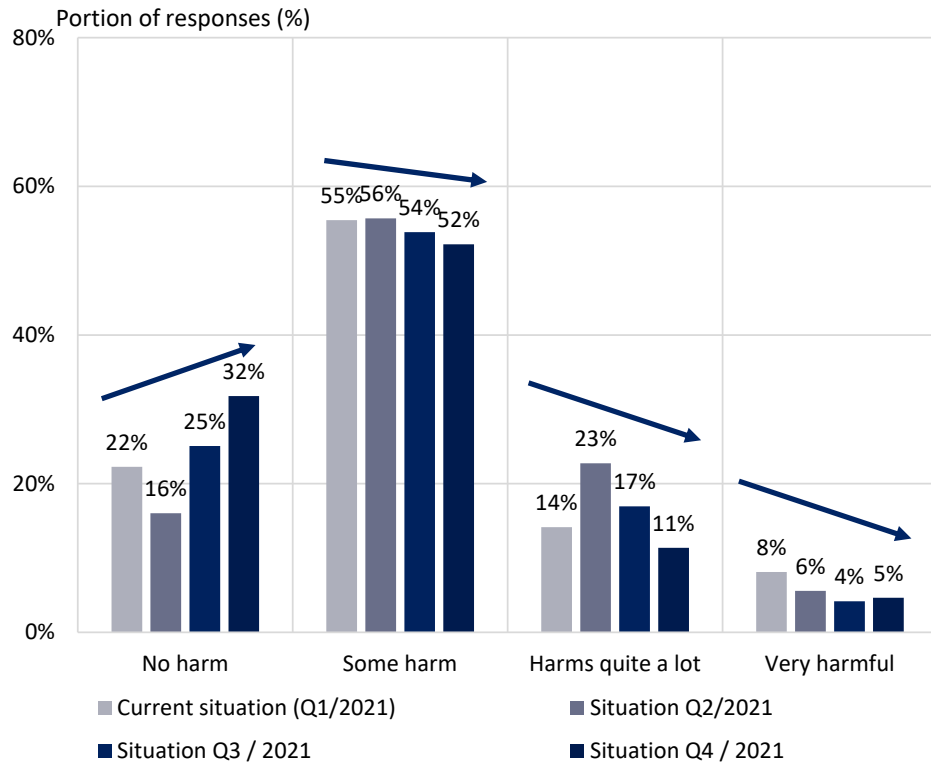
Jouni Vihmo 24 March 2021



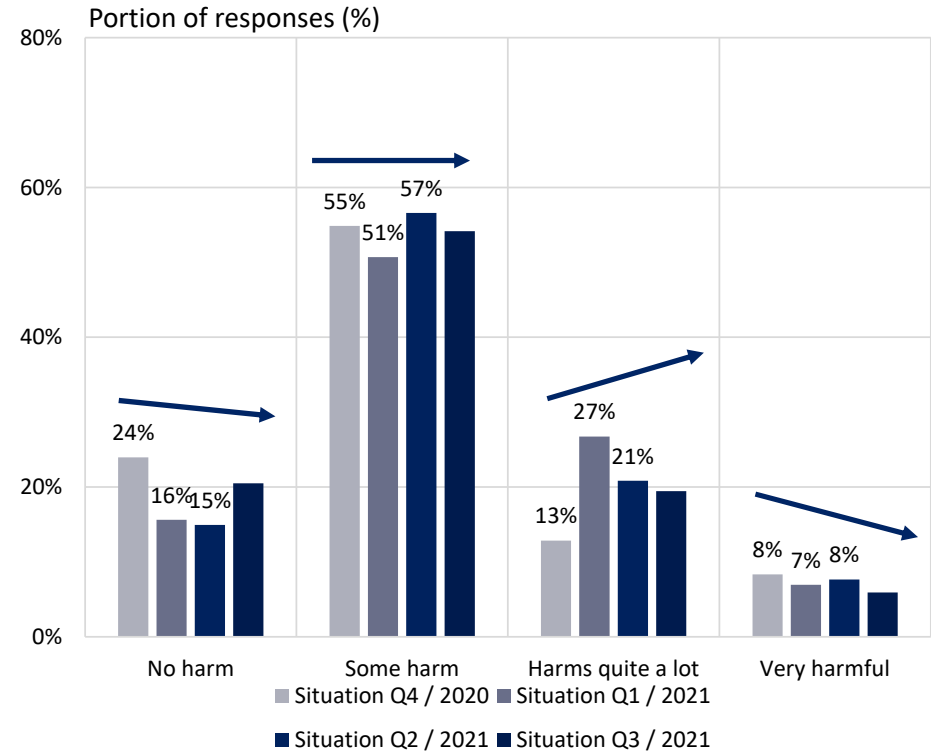
Uncertainty caused by the corona crisis is abating

How much is the corona crisis affecting your company's business?

Corona survey V (March)



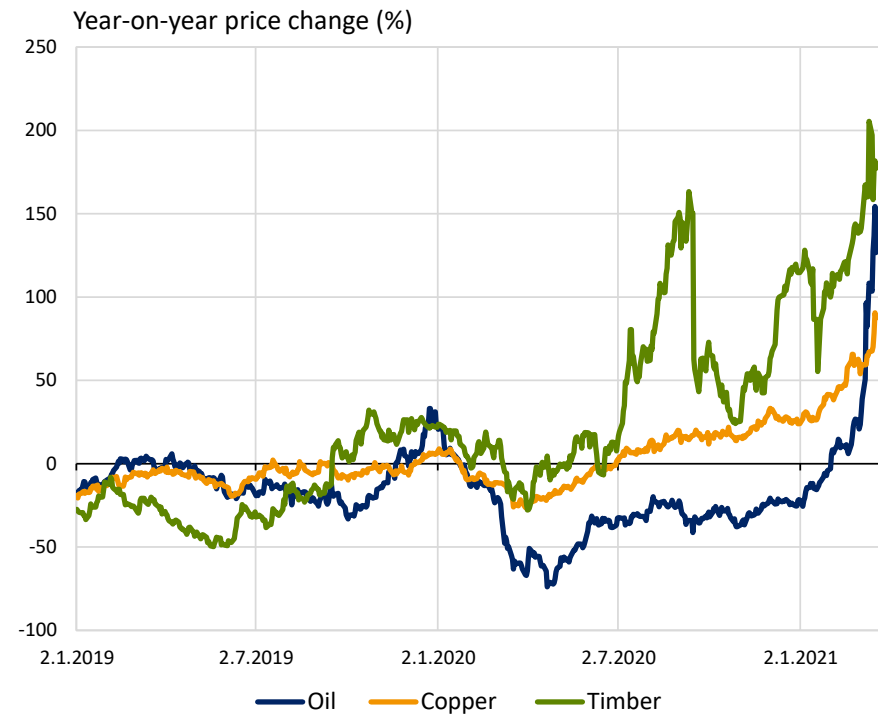
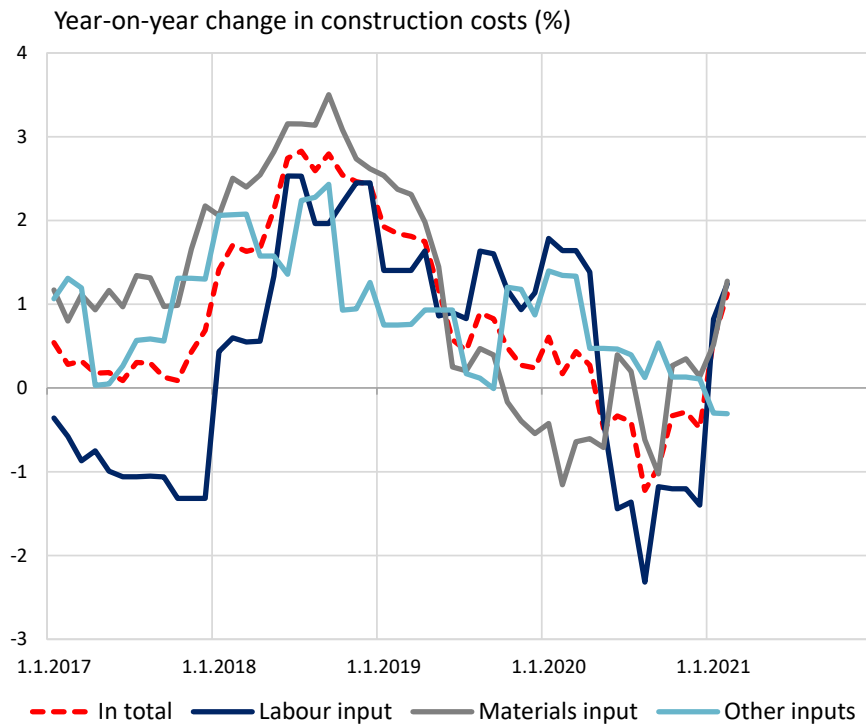
Corona survey V (November)



Construction costs

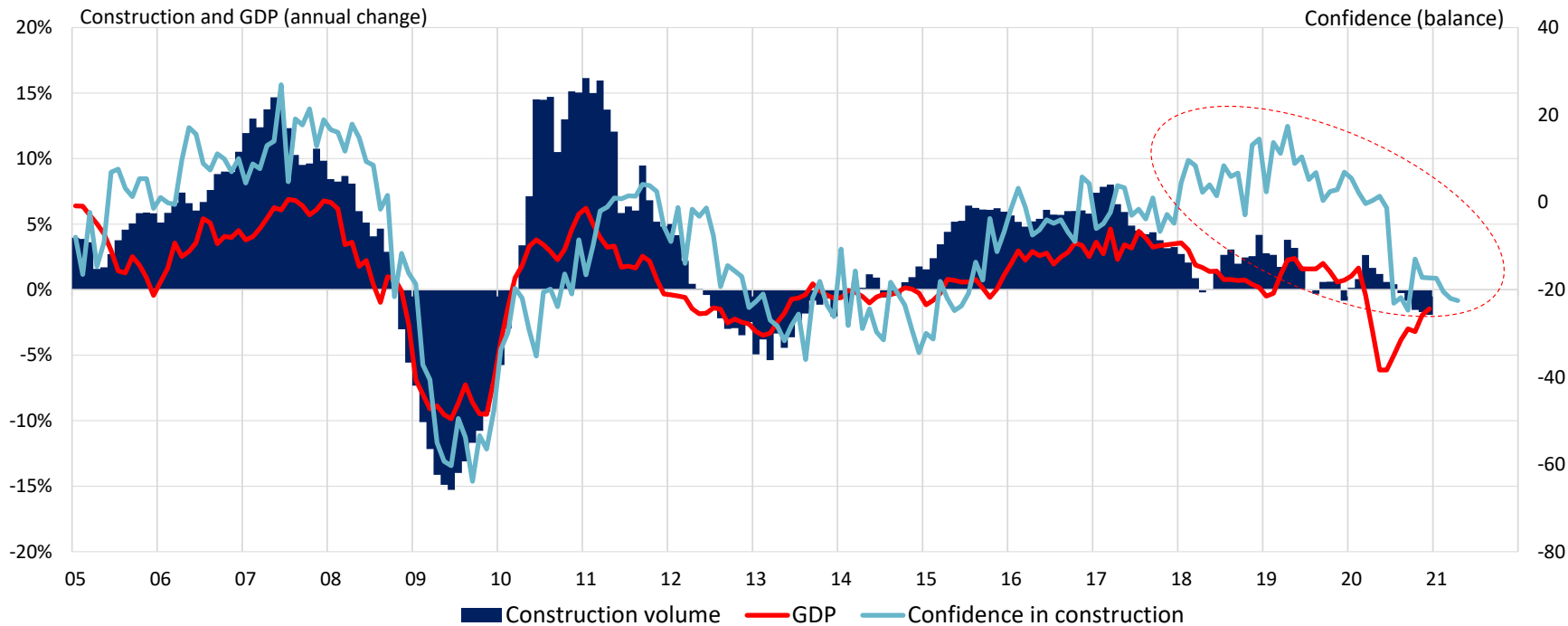
Upward pressure on costs

World market prices for key building materials are rising sharply

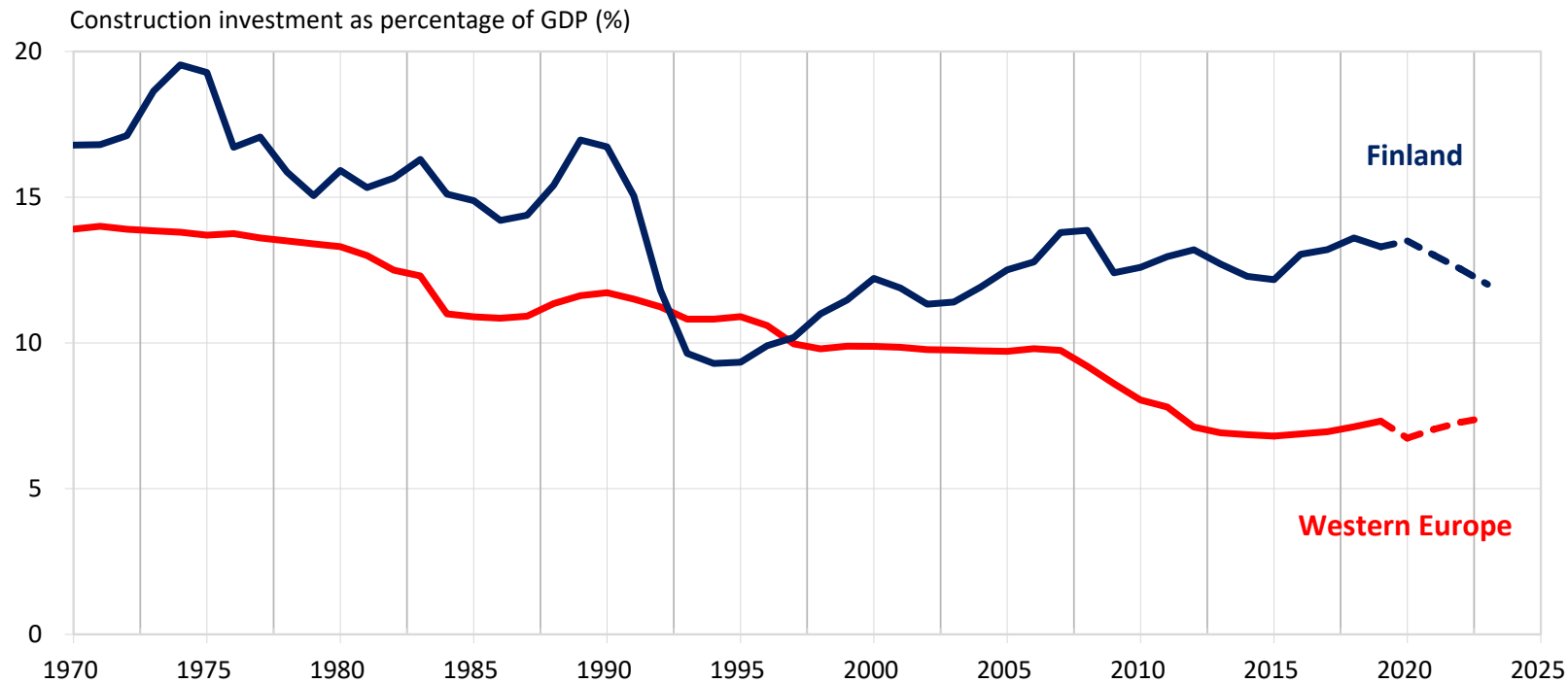


The effects of the crisis on production have been limited - however, the pandemic has deflated all expectations

The performance of the Finnish economy determines the baseline for construction in the new normal



The Finnish economy is undergoing a structural change – what is the baseline for construction in the new normal?



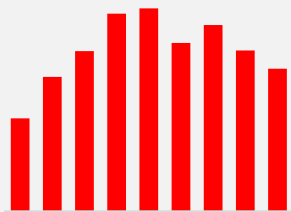
Confederation of Finnish Construction Industries RT forecast 2021-2022*

Residential development



In total
2019: 38000
2020: 40900
2021: 37000
2022: 34000

Housing construction will slow down due to a decline in privately funded construction projects.

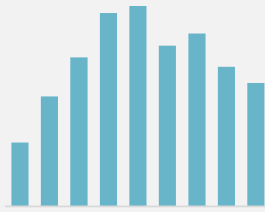


High rises



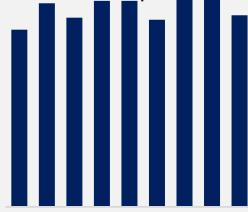
Privately financed
2019: 19800
2020: 21700
2021: 17300
2022: 15300

Consumers' desire to buy is high and interest rates are low. Regional differentiation will continue. Investor demand will remain high.



ARA apartments
2019: 7800
2020: 9000
2021: 9000
2022: 8000

ARA production will remain revitalising during the forecast period. Production volume will face downward pressure.

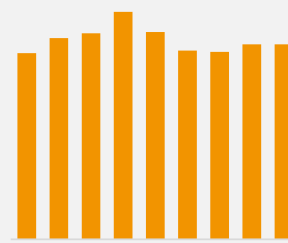


Row houses



2019: 3100
2020: 3100
2021: 3200
2022: 3200

The construction of terraced houses will increase moderately.

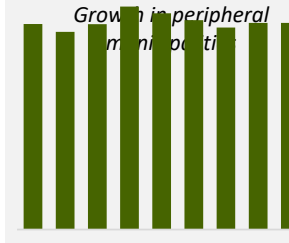


Single-family houses



2019: 6900
2020: 6600
2021: 7000
2022: 7000

The demand for detached houses will increase significantly after a delay. Plot supply will limit growth. Growth in peripheral municipalities.

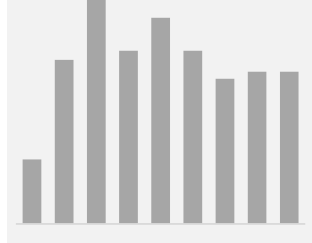


Other buildings



2019: 600
2020: 500
2021: 500
2022: 500

Other construction will decrease due to a decrease in housing construction.



Confederation of Finnish Construction Industries RT forecast 2020-2022*

Construction
Total in 2020
36.9
BILLION €

Construction of new buildings

15.9
BILLION
N €

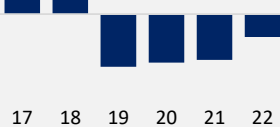


7.4
BILLION
€

Housing

2019: -6.9 %
2020: -6.4 %
2021: 2.0 %
2022: -6.0 %

The overall outlook of housing construction will remain unchanged
The construction of apartment blocks will slow down moderately. Low interest rates will continue to support demand among investors. Regional differentiation will continue.

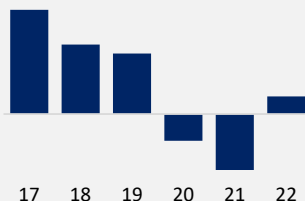


8.5
BILLION
€

Premises

2019: 5.6 %
2020: -2.5 %
2021: -5.0 %
2022: 2.0 %

Industrial investments will increase. Overall uncertainty regarding post-pandemic life is weighing down commercial and office development.



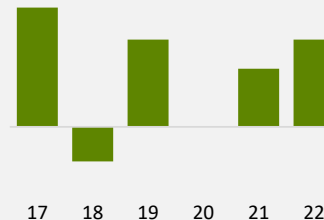
Repair construction

14.0
BILLION
N €



2019: 1.5 %
2020: 0.5 %
2021: 1.0 %
2022: 1.5 %

Renovation of dwellings will recover to normal growth. Uncertainty about the effects of corona hinders the effects of corona hinders the premises. The weak economic situation in municipalities slows down public renovation projects.



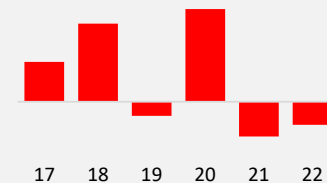
Civil engineering

7.0
BILLION
€



2019: -0.6 %
2020: 5.0 %
2021: -1.5 %
2022: -1.0 %

Civil engineering projects will slow down as several large projects reach completion simultaneously. The weak investment capacity of municipalities is weighing down construction.

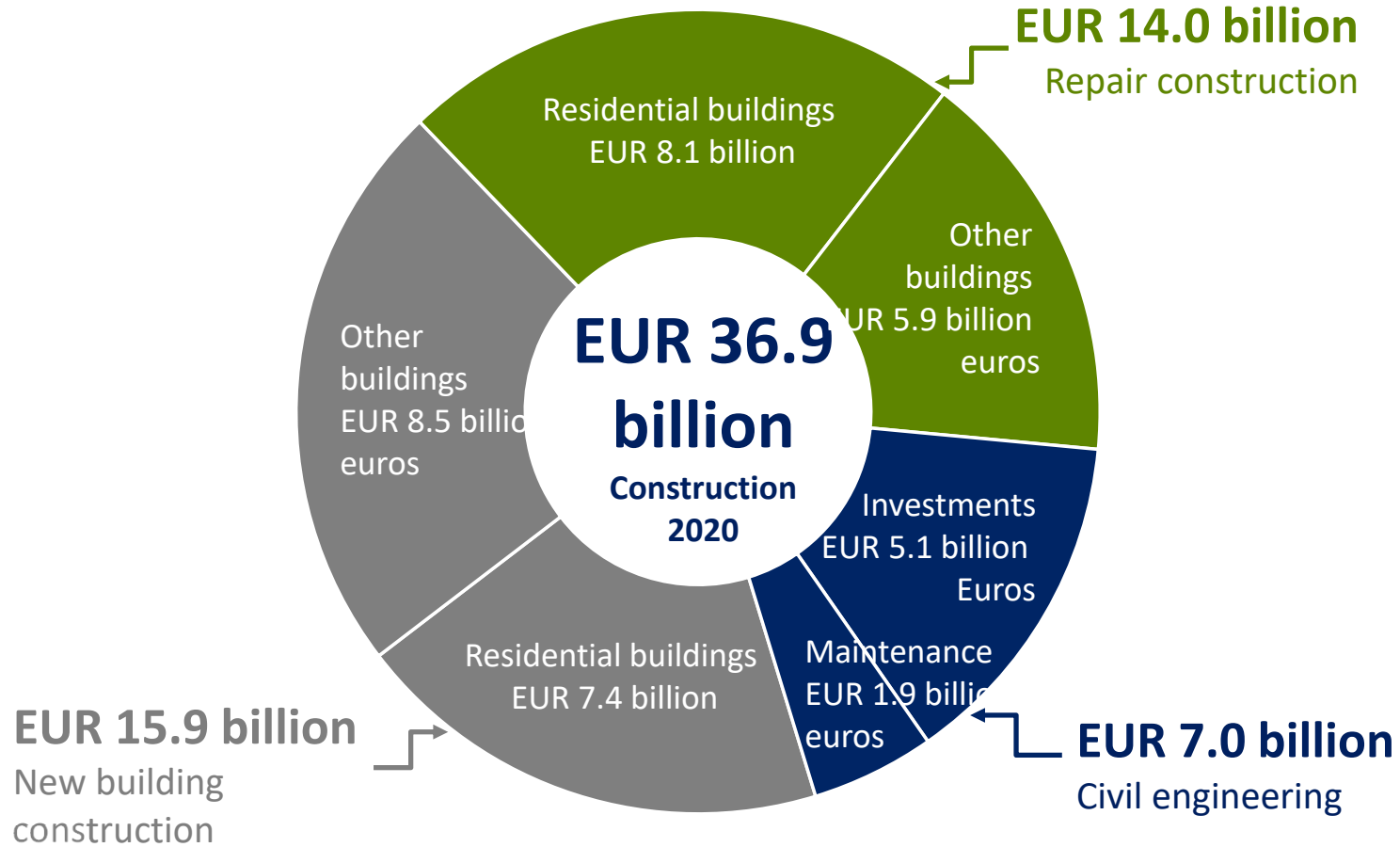


= Construction in total*: 2020e: -1 % 2021e: -2 % 2022e: +-0 %

*quantitative change

Distribution of construction accross main sectors

Value of construction in 2020

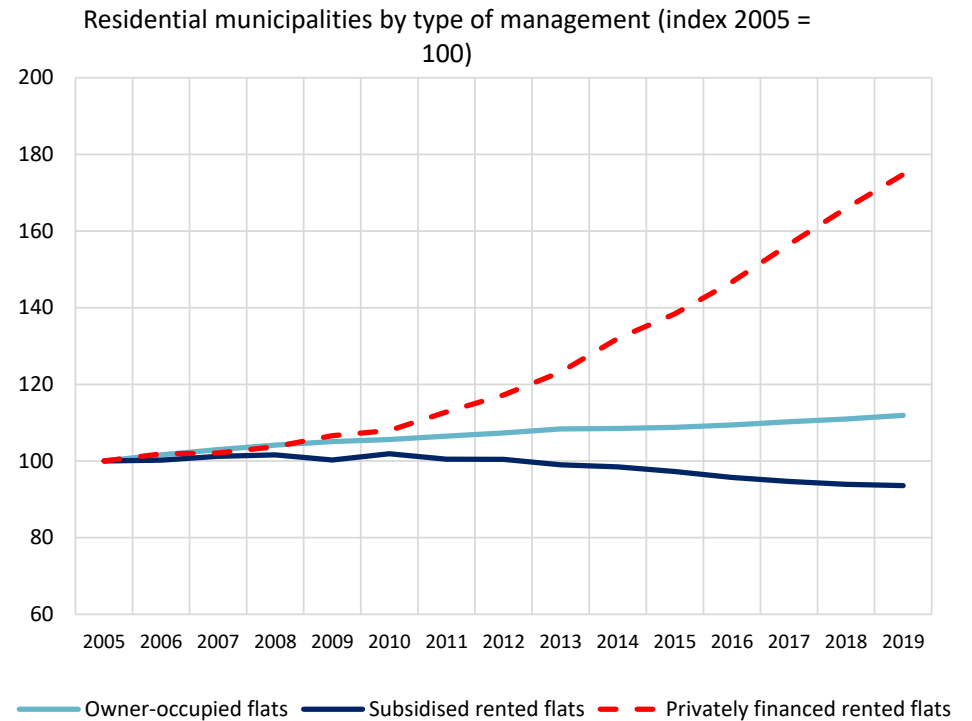
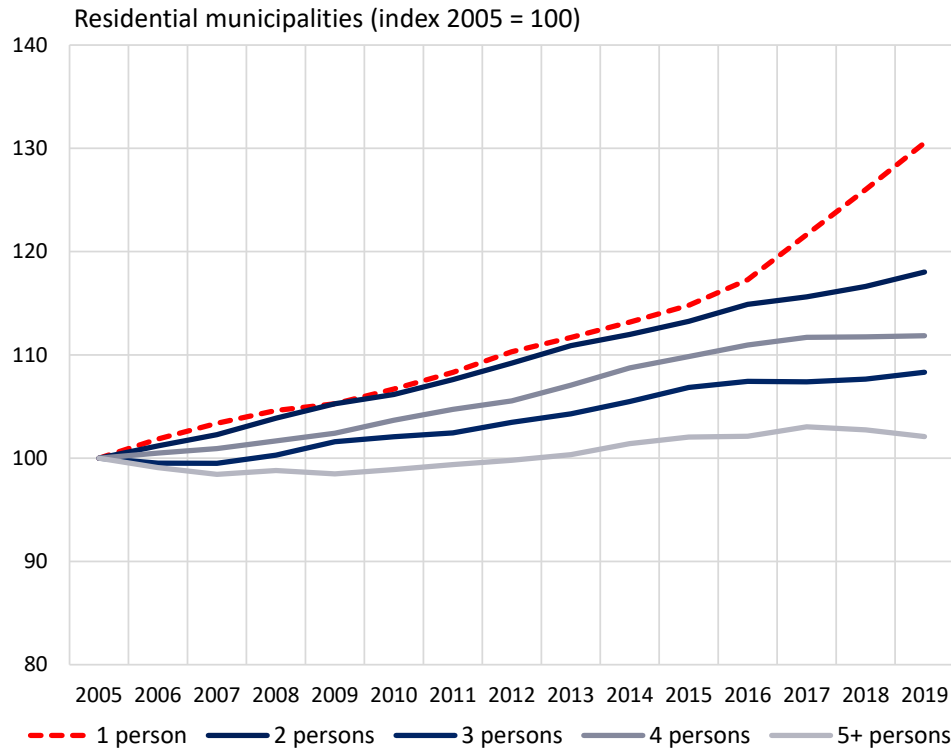


A photograph of a cityscape at dusk. In the foreground, a body of water reflects the lights from buildings and a bridge. The bridge is a modern, arched structure with a glowing white arch and cables. To the left, there are several buildings, some with construction cranes on top. The sky is a deep blue, and the overall scene is illuminated by the warm lights of the city and the cool tones of the twilight.

Renewed economic growth hinges on the dynamicism of cities

Aleksi Randell 24 March 2021

How can urban growth be sustained without a significant supply of privately financed rental housing?



Built environment is under enormous pressure

Everyone has the right to a quality life regardless of where they live

Growth centres must solve the challenges of new development



All of Finland needs to be reformed through renovation



Finland must be united both domestically and internationally

